

HOW "YOU SAY" REAL ESTATE IN COLORADO

# HOME BUYING GUIDE

DENVER - VAIL VALLEY - SUMMIT COUNTY

*Usay*  
REALTY  
== CO ==



# WELCOME

At Usaj Realty, we provide personalized support and historical market data to help you, as a home buyer, to fully understand your options. When you are given the tools to effectively navigate the housing market, you are able to design a bright future for yourself and your loved ones.

The logo for Usaj Realty is written in a black, elegant cursive script. The word "Usaj" is connected to "Realty" with a fluid, continuous line. The 'U' is large and loops around, and the 'y' in "Usaj" has a long, sweeping tail that extends under the word "Realty".

## ABOUT US

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Pronounced “you say,” Usaj Realty was founded in 2011 in Denver’s LoDo neighborhood. Usaj Realty is fully committed to giving back to our local community by hosting annual fundraiser events, participating in annual volunteer days, and hosting food and coat drives throughout the year for both Habitat for Humanity and the Denver Rescue Mission.

The team at Usaj firmly stands behind the purpose and mission of Habitat for Humanity and believes homeownership is a solution to creating and maintaining a thriving economy and diverse community.

## OUR MISSION

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Our mission is simple. It is to be your ally and advocate during your home buying journey. We want you to have clarity and know what each step entails before you take it. This guide will help remove the guesswork and overwhelm – and ideally, will be a resource for you to refer to time and time again.





# THE HOME BUYING STEPS

## 01 GET PRE-APPROVED

Meet with a lender and get pre-approved for your loan. See our checklist of required paperwork under the "Road to Pre-Approval" section.

## 02 SEARCH FOR HOMES

We are local area experts and have the tools and market knowledge to make sure you don't miss any available properties that fit your needs.

## 03 MAKE AN OFFER

Once you've found your home sweet home, we will help prepare an offer based on your terms and price.

## 04 UNDER CONTRACT

We may need to negotiate some terms for the seller to accept your offer. Once everyone agrees on the price and terms, the property is under contract.

## 05 CLOSING

An independent third party (typically a title company) will facilitate the final transfer of funds and ownership.

## 06 CONGRATULATIONS!

Sold! Congratulations on your new home!



# THE USAJ REALTY ADVANTAGE

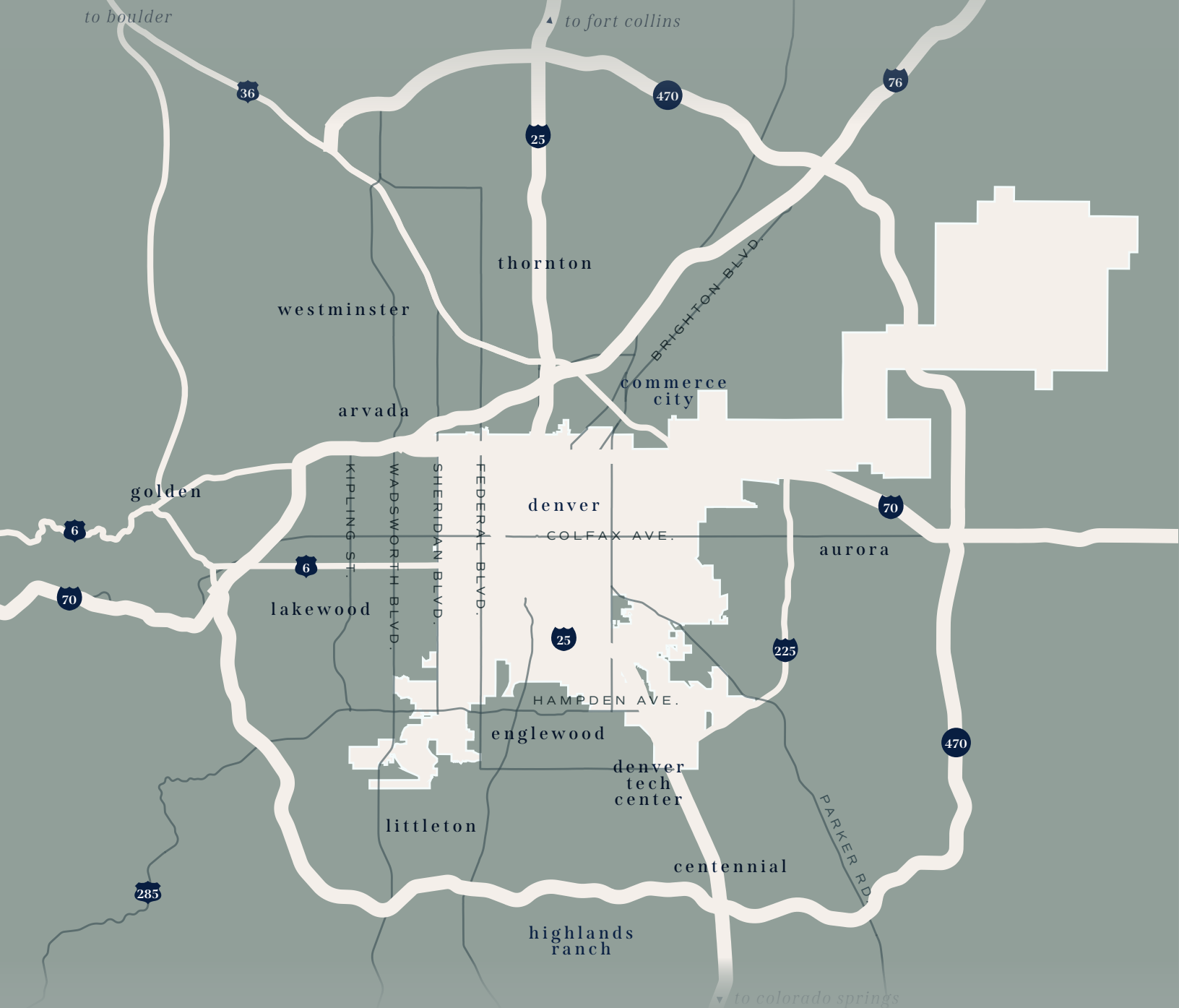
AS A BOUTIQUE REAL ESTATE COMPANY, WE OFFER PERSONALIZED SERVICE AND THE ABILITY TO ACT QUICKLY. HERE ARE JUST A FEW BENEFITS YOU RECEIVE WHEN WORKING WITH US:

- **We'll Make Sure Your Financing Is All Set:** Make sure you are pre-approved with the lender of your choice or have all your documents ready for a cash purchase. Haven't done this part yet? No worries, we can help you learn what to expect.
- **We'll Help You Find Your Dream Home:** The neighborhood, the number of bedrooms and baths, square footage, school district, outdoor space, etc. are all crucial factors to determine. We will go through your criteria frequently and make sure the list is up-to-date.
- **Market Insights:** Once you know where you want to live, we will help you to critically analyze the market data in that neighborhood in order to submit strong and fair offers.
- **Seven Days a Week Showing Assistance:** Whether it's after work or on the weekends, we are available to show you homes on your schedule. Our agents work collaboratively so you will always feel supported.
- **Writing Competitive Offers:** Once you are ready, we will prepare a strong offer that will put you in a position to get under contract quickly. Together, we will craft an offer that will win the home.
- **Setting Up Your Home Inspection:** A home inspection is always recommended, and the home buyer is responsible for the cost. We have access to highly regarded home inspectors who will examine all the home's operating and safety systems and make the necessary suggestions on repairs and replacements.
- **Contract Deadlines:** You will receive notifications about upcoming contract deadlines and we will continually be checking your status. We will communicate with you consistently and clearly so these deadlines don't catch you off guard.
- **Closing:** We will set aside at least 45 minutes to sign off on all the closing documents and receive the keys to your new home. You worked hard to get to this point, so make sure you celebrate and enjoy the moment. Congratulations!

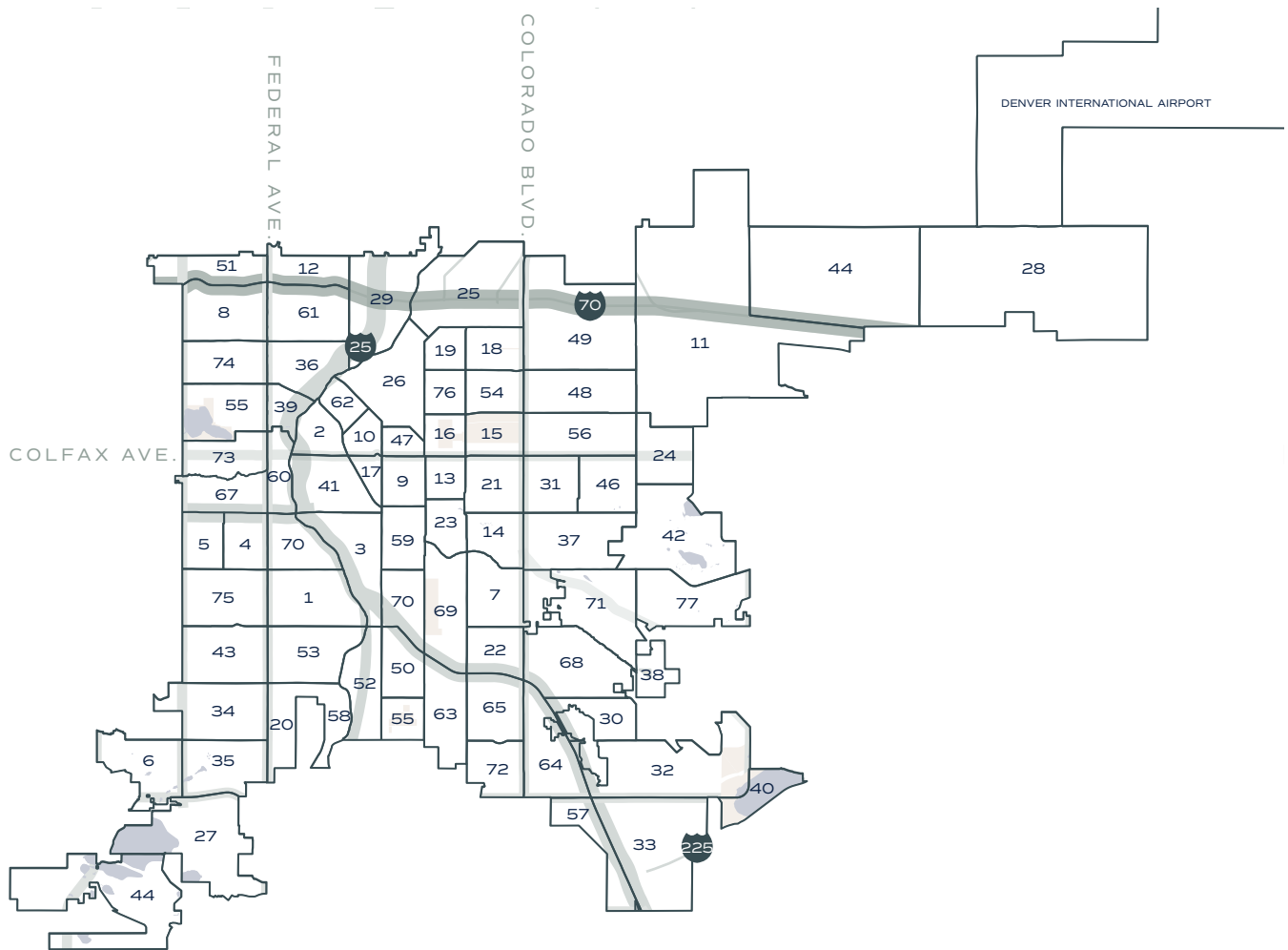
NOT SURE WHERE TO BUY? CONSIDER THE

# GREATER METRO

READY TO BUY, BUT NOT SURE WHERE? THE METRO DENVER AREA HAS MANY OPTIONS, AND WE WILL HELP YOU FIND THE HOME THAT FITS YOUR LIFESTYLE, COMMUTE, AND INTERESTS.







## ...OR CENTRAL NEIGHBORHOODS

DENVER COUNTY IS HOME TO DOZENS OF UNIQUE NEIGHBORHOODS THAT EACH HAVE THEIR OWN FLAIR — FROM THE ARTISTIC SANTA FE DISTRICT TO THE CULINARY ADVENTURES IN UPTOWN.

- |                               |                                   |                       |                               |                         |                              |
|-------------------------------|-----------------------------------|-----------------------|-------------------------------|-------------------------|------------------------------|
| 1. Athmar Park                | 15. City Park                     | Green Valley Ranch    | 42. Lowry Field               | 56. South Park Hill     | Park                         |
| 2. Auraria                    | 16. City Park West                | 29. Globeville        | 43. Mar Lee                   | 57. Southmoor Park      | 70. Washington Park West     |
| 3. Baker                      | 17. Civic Center/ Golden Triangle | 30. Goldsmith         | 44. Marston                   | 58. South Platte        | 71. Washington Virginia Vale |
| 4. Barnum                     | 18. Clayton                       | 31. Hale              | 45. Montbello                 | 59. Speer               | 72. Wellshire                |
| 5. Barnum West                | 19. Cole                          | 32. Hampden           | 46. Montclair                 | 60. Sun Valley          | 73. West Colfax              |
| 6. Bear Valley                | 20. College View/ South Platte    | 33. Hampden South     | 47. North Capitol Hill/Uptown | 61. Sunnyside           | 74. West Highland            |
| 7. Belcaro                    | 21. Congress Park                 | 34. Harvey Park       | 48. North Park Hill           | 62. Union Station/ LoDo | 75. Westwood                 |
| 8. Berkeley                   | 22. Cory Merrill                  | 35. Harvey Park South | 49. Northeast Park Hill       | 63. University          | 76. Whittier                 |
| 9. Capitol Hill               | 23. Country Club                  | 36. Highland          | 50. Platt Park                | 64. University Hills    | 77. Windsor                  |
| 10. Central Business District | 24. East Colfax                   | 37. Hilltop           | 51. Regis                     | 65. University Park     |                              |
| 11. Central Park              | 25. Elyria Swansea                | 38. Indian Creek      | 52. Overland                  | 66. Valverde            |                              |
| 12. Chaffee Park              | 26. Five Points                   | 39. Jefferson Park    | 53. Ruby Hill                 | 67. Villa Park          |                              |
| 13. Cheesman Park             | 27. Fort Logan                    | 40. Kennedy           | 54. Skyland                   | 68. Virginia Village    |                              |
| 14. Cherry Creek              | 28. Gateway /                     | 41. Lincoln Park      | 55. Rosedale                  | 69. Washington          |                              |

## THE ROAD TO GETTING

# PRE-APPROVED

If you choose to finance your purchase with a mortgage, you need to get pre-approved for your loan. Luckily, this step is simple and doesn't take much time, and once complete it will help you set a budget and prepare for a smooth home buying experience.

When you meet with your lender, you will complete an official mortgage application and provide the lender with the necessary documents (see our checklist below). These documents allow lenders to perform an extensive background check on your financial history and current credit rating. Your lender will be able to pinpoint a loan amount that is within your budget. This pre-approval will save you a lot of time since you will be able to focus exclusively on houses in your price range. It will also make your offer strong once you find a house you love.

## PRE-APPROVAL DOCUMENT CHECKLIST

*Before you meet with a lender, gather the following documents:*

### ONE FORM OF ID

- ☐ State-issued driver's license
- ☐ State-issued photo ID
- ☐ Passport

### TAX RETURNS

- ☐ Past two years of tax returns
- ☐ Past two years of W-2 forms
- ☐ Self-employed borrowers: profit and loss statement, federal tax statements and/or balance sheets from the past two years; additionally, you may be asked to provide your business license or a letter from your CPA

### PAY STUBS

- ☐ Most recent 30 days, or profit and loss statement

### BANK STATEMENTS

*Provide two months' worth; must include all pages for all accounts held with complete account numbers*

- ☐ Savings
- ☐ Checking
- ☐ Brokerage statements
- ☐ 401k
- ☐ Roth
- ☐ 403b

### OTHER DOCS, IF NEEDED

- ☐ Mortgage gift letter
- ☐ Bankruptcy discharge paperwork
- ☐ Divorce decree
- ☐ Pension statement
- ☐ Social security/disability statement
- ☐ HOA statement

# LET'S START THE SEARCH FOR HOMES

We will begin the process by casting a wide net so you do not miss out on any properties that meet your criteria. It's important to identify the top characteristics your new home should possess and eliminate properties that don't meet those expectations. This will give you clarity and peace of mind throughout the process. This systematic approach makes for an enjoyable home buying journey!

## BEFORE YOU TOUR...

Think carefully about the following must-haves, and why they are important to you (this will help us determine the right properties for you to view):

- Number of bedrooms
- Number of bathrooms
- Type of home (attached or detached)
- Approximate square footage
- Location/neighborhoods
- Top 3 ideal qualities in a home: from ample storage to walkability, outline your perfect home characteristics

## WHEN YOU VISIT...

We've found a potential fit — now let's view the property. Consider the following details while you're touring and what aspects you like, dislike, or would want to upgrade:

- Exterior condition: patio, balcony, and/or yard
- Interior condition: floor plan, air conditioning and heating systems
- Garage
- Laundry room
- Kitchen appliances
- Bathroom fixtures
- Bedroom size(s)

## AFTER YOU TOUR...

You've seen a few properties — now weigh the pros and cons of each property against your ideal list to see which ones make the mark or should be scratched:

- What are your top 3 properties? Why?
- How do your top 3 properties differ from each other?
- What additional features stood out that were not included on your ideal property list?
- Can you see yourself living in any of the properties? Why?

## SO YOU ARE READY TO MAKE AN OFFER

When we find the property you want, we will write a purchase agreement. This includes the offer, a lender letter (i.e. proof of funds), and earnest money. While much of the agreement is standard, there are a few areas that we can negotiate to get the best outcome for you:

### WHAT GOES INTO AN OFFER

*Below are some line items that can be negotiated during the home buying process:*

#### 01

**Price:** Just like any high-priced commodity, the listing price of a home isn't always the "real" price. Negotiation is expected in any real estate transaction. In a hot market, it may represent the point where bidding begins. In other scenarios, the price tag may be reduced significantly. It's important to know the neighborhood and have access to the most up-to-date comparable sales.

#### 02

**Contingencies:** Contingencies in a contract are essentially a list of conditions or actions that must be met before a contract becomes binding. These conditions can be wide-ranging and are enacted for both the protection of the buyer and seller.

#### 03

**Dates:** Knowing how much time you'll need to close is important. Typically, a closing takes 20 to 45 days – not very long! Unless you are purchasing with cash, your lender dictates the length of time it will take to close. Once the contract is signed, we will help you handle: earnest money, a home inspection, an appraisal, obtaining homeowner's insurance, and setting the closing appointment.

#### 04

**Inclusions/Exclusions:** Typically, all major kitchen appliances (refrigerator, stove, dishwasher, trash compactor) are included, but it won't hurt to ask if the microwave, washer/dryer, custom furniture, and any other items in the home can stay. Let us know if there is something specific you'd like us to write into the contract.



# THE THREE REACTIONS TO AN OFFER

Below are the three potential outcomes after submitting an offer:



## REACTING TO AN OFFER

### ACCEPT

Congratulations! The seller accepted your offer exactly as it was written and you are officially under contract to buy the home — now on to the under contract process.

### REJECT

The seller rejected the offer in its entirety, opting for another buyer's offer. We go back to touring homes.

### COUNTER

The seller wants to make some revisions based on your offer. We will work together to review each specific item, and we will negotiate the best possible price and terms on your behalf.



CONGRATULATIONS...

## CONTRACT SIGNED!

For both the home buyer and home seller, the simple phrase “under contract” signifies the end of one journey and the start of another. Certainly, there’s always the possibility of blips in the process but in most cases, this moment means the sale is imminent.

Being under contract means that a mutually approved document has been drawn up and both parties have accepted the terms of the contract.





YOUR OFFER WAS ACCEPTED

# YOU ARE NOW UNDER CONTRACT!

IN ADDITION TO THE PRICE, A GOOD CONTRACT SHOULD ADDRESS A NUMBER OF ITEMS INCLUDING INCLUSIONS/EXCLUSIONS, CONTINGENCIES (A LIST OF CONDITIONS OR ACTIONS THAT MUST BE MET BEFORE A CONTRACT BECOMES BINDING), AND OTHER SPECIFICS ABOUT THE SALE.

ONCE THE SELLER ACCEPTS YOUR OFFER, WE WILL COORDINATE WITH THE FOLLOWING PARTIES IN PREPARATION FOR CLOSING ON YOUR NEW HOME:



## HOME INSPECTION

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This critical part of the home buying experience is a very important step. A home inspection is usually a two-to four-hour examination that reveals the inner workings of the house. It may provide additional facts that lead to negotiation on the final price. Based on the findings, you can go back to the seller and ask for concessions on the price or ask that certain items be fixed prior to closing. Home inspections can range from \$250 to \$600 or more depending on the square footage. There are ancillary services that can be added on, such as radon testing, mold testing, and sewer scope inspection. There can also be an additional fee if the structure is more than 50 years old, as these home inspections can take longer. The inspector is paid at the time of the appointment.

## APPRAISAL

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As a buyer, you need to know the exact valuation of the home based on its location, square footage, structure, and other features. The appraisal impacts the amount of money you can borrow and also the tax assessment you pay each year. You must be comfortable with the appraisal and your lender must feel confident that the amount of money being loaned to you is indicative of the value of the home.

Be aware there are some situations where the appraisal price comes in lower than the agreed-upon price. This appraisal gap is the difference between the appraisal and the contract price. To cover the difference, the home buyer can agree to provide cash to cover that gap, or the seller can cover the cost. If no agreement can be made, the home will fall out of contract.





## LOAN APPROVAL

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Unless you purchase your new home with cash, this step will be part of the under contract process. Your designated lender will help you with the necessary steps, but be prepared to provide numerous financial documents. You can't have enough patience during this part of the process. Keep in mind the loan approval must be obtained by a specified date, so make sure you've done your homework ahead of time. This is usually the last piece of the closing process but it is the most important. Always remember to keep the lines of communication open between you and your lender, and respond promptly to any requests for additional paperwork and forms. Although there is a strict timeline, keep in mind there can be extensions on the closing date so don't worry if the loan approval gets bogged down.

## OBTAINING HOMEOWNERS' INSURANCE

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Obtaining homeowners' insurance is a requirement of having a mortgage. It's important to make sure you have adequate coverage on your home in the event of any property damage. Bundling your homeowners' insurance with an automobile policy can provide significant savings. Also, many companies provide discounts if you have a clean claims history, a security system, smoke alarms, and other safety features. Furthermore, it's always a good idea to shop around for insurance each year before your policy renews, as there can be dramatic savings year-to-year.

## TITLE SEARCH

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Before a home can be transferred to a new owner, the title of the property must be clear. As a result, a title "search" must be conducted to prove there are no outstanding liens or claims against the property. This search is usually performed by a title company or lawyer representing the buyer. If there are problems with the title, the seller must rectify the situation and clear the title. Lenders will not approve a loan until the title is clear.

## TRANSFER UTILITIES

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A few days before closing, arrangements should be made to transfer the home's utilities over to you. This is usually a straightforward request, and the utility costs will be prorated based on the date of closing.

## ONE LAST STEP:

# CLOSING APPOINTMENT

The final step in buying your home is signing documents and officially transferring the property into your name. Typically the seller and their agent as well as your lender, broker, and title company representative are present.

The closing appointment lasts about an hour and a half, and includes reading and signing the mortgage/loan documents and real estate documents.

Your title representative will fully explain all documents and also provide copies for you. Once the appointment is complete, the title company will record documents with the County Clerk's office – and the seller will give you the keys to your new home.

The title policy is generally issued within 30 days of the closing – this is an important document for you to file with your other legal documents in a safe place.

## OF NOTE

*Before the appointment, be sure to:*

- Wire funds or bring a certified check for the total amount of your closing costs and down payment.

## WHAT TO BRING

*For the final closing appointment:*

- Be sure to bring a photo ID.



# CONGRATULATIONS, SOLD!

Usaj Realty is proud to serve you while buying your home, and we hope to always maintain our relationship with you. Please don't hesitate to reach out, whether it be for a maintenance vendor recommendation, a new exciting life change, or just to say hello! We'd love to stay in touch.



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WWW.USAJREALTY.COM | @USAJREALTY  
1499 BLAKE STREET, #1F, DENVER 80202